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C O N F I D E N T I A L SECTION 01 OF 04 MEXICO 007033

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [MX](#)
SUBJECT: CALDERON DEBUTS WITH A DEFT HAND

REF: A. MEXICO 6652
[1](#)B. MEXICO 6823
[1](#)C. MEXICO 6933
[1](#)D. MEXICO 7015

Classified By: POLITICAL MINISTER-COUNSELOR CHARLES V. BARCLAY, REASONS
: 1.4(B/D).

[1](#)1. (C) SUMMARY: In his first weeks in office, President Felipe Calderon Hinojosa has seized the initiative on several important issues, demonstrating his intent to forge an activist presidency. The change in atmospherics between the Fox and Calderon administrations has been evident from Calderon's first day in office: his insistence on taking the oath in the Chamber of Deputies, notwithstanding opposition efforts to block the ceremony, portrayed to the nation a leader who would not bow to pressure. His decision just days later to order an historically large counternarcotics operation -- as well as the arrest of key participants in the Oaxaca disturbances -- demonstrated his understanding that after the torpor of President Fox's last years in office, Mexicans are looking for executive action. Some observers believe his most important accomplishment to date has been restoring to the presidency the aura of authority that many believe was eroded by President Fox's informal and disengaged manner. Calderon has also demonstrated political acumen and engagement in his handling of his early relations with Congress. Nevertheless, although Calderon is widely perceived to have debuted strongly, his actions in Oaxaca and Michoacan have raised fears in expected quarters of a strain of authoritarianism, and some second-guessing that his early moves are designed more for show than impact. What is certain is that while Calderon intends to play his role very differently from his predecessor, the political climate here remains conflictive and there is no shortage of potential pitfalls in his path. END SUMMARY.

Opposition Delivers Calderon an Early Victory

[1](#)2. (C) Most observers believe that the PRD's failed effort to prevent Calderon from taking the oath of office in the Congress on December 1 handed Calderon his first political victory. The images coming out of the event depicted a determined leader who refused to be cowed by the threats of an unruly opposition. To many Mexicans, Calderon's willingness to face down his opponents represented a welcome contrast to the non-confrontational style of former President Fox, who many Mexicans believe lacked political courage. By calling the opposition's bluff and refusing to back down, Calderon emerged with his reputation enhanced, and with that

of the opposition diminished.

Restoring Dignity to the Presidency

¶3. (C) Several well-connected contacts -- all from the PRI -- have remarked that after Vicente Fox's less-than-authoritative tenure, Calderon's more decisive and disciplined demeanor could help restore lost authority to the presidency. Senior congressional staffer Francisco Guerrero (PRI) said that Calderon's most important accomplishment to date has been one of style rather than of substance: Guerrero argued that simply by acting presidential and demonstrating political aptitude, Calderon had enhanced the authority of his office. He added that unlike Fox, who had a tendency to misspeak with alarming frequency, Calderon had not committed any "personal" gaffes that might undermine his public image, even if some of his political decisions inevitably had been questioned. Influential PRI Senator Carlos Jimenez largely agreed with Guerrero's analysis, telling poloff that many of his PRI colleagues in the Senate were similarly pleased with Calderon's authoritative early tactics.

Confronting the Oaxaca Crisis Head-on

¶4. (SBU) In its first days in office, the Calderon administration moved swiftly to confront the crisis in Oaxaca, demonstrating it would not tolerate continued lawlessness in the state. The new government arrested four protest leaders visiting Mexico City on December 4, and on December 7, ordered the Federal Preventive Police (PFP) to

MEXICO 00007033 002 OF 004

raid the Oaxaca state police headquarters, confiscating over 340 guns in order to investigate whether any had been used in attacks against protesters. The PFP intervention and the arrest of protest leaders appears to have weakened the protest movement, and state security forces appear to have moderated their tactics in response. Since Calderon took office, calm has been largely restored to Oaxaca's streets, although there have been sporadic marches demanding the release of detained protesters. On December 16, the PFP began withdrawing from Oaxaca City, turning security responsibilities back over to state and municipal police and releasing 43 protesters held in Nayarit following the November 25 uprising (ref A).

¶5. (C) Yet while Calderon has shown the determination to restore law-and-order, some political analysts fear he lacks an end-game strategy for Oaxaca; is unwilling to alienate the PRI by insisting on the resignation of Oaxaca Governor Ulises Ruiz; and is prioritizing order at the expense of civil rights. A federal raid on the state police headquarters provided some assurance that the Calderon government would not be one-sided, although the GOM has yet to hold anyone linked to the governor responsible for violence. Moreover, while the GOM's arrest of protest leaders was widely applauded, the arrest reportedly came while the leaders were in Mexico City for negotiations with the Secretary of Government. The GOM's willingness to arrest its negotiating partners may complicate future efforts to bargain with the Oaxaca protesters -- and with other protest groups.

An Early Effort to Combat Drug Trafficking

¶6. (U) The Calderon administration's unveiling of a major anti-crime offensive in Michoacan suggested the new administration would waste no time in confronting what many believe is Mexico's single greatest challenge, drug trafficking and the violence associated with it. The GOM initiated the joint military-police operation on December 8, sending nearly 7,000 troops and federal police (PFP) forces to the troubled state. Their mission is to eradicate drug

plantations, intercept drug cargos and wanted criminals, execute arrest warrants, and dismantle points of drug retailing.

¶17. (C) In a December 13 meeting with emboffs, newly-appointed Secretary of Public Security Genaro Garcia Luna said the

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operation's underlying goal was to wrest sovereignty back from the drug cartels over expanses of Michoacan. He assured emboffs an on-going security presence would be maintained there, but he had no concrete response when asked what would happen if/when the bulk of federal forces finally left.

GOM Already Claiming Victory...

¶18. (U) On December 18, the GOM held a press conference to trumpet the success of Operation Conjunta Michoacan (OCM), claiming it had dealt the drug trade a major blow. GOM officials announced the arrest of three leading drug traffickers from the Sinaloa, Valencia and Gulf cartels, as well as the arrest of 54 other suspected criminals; the GOM also claimed it caused an estimated USD 620 million in losses to the drug trade. This figure reportedly includes the value of destroyed crops and intercepted shipments, and the confiscation of equipment and cash. The GOM has said the counter-narcotics operation is being expanded to other states, including Guerrero and Jalisco.

...A Claim Disputed by Observers

¶19. (C) While few observers have openly criticized OCM -- most believe it was long overdue -- some predict it will inflict but a glancing blow on the cartels. One security analyst told poloff that much more could be accomplished with small-scale intelligence operations; he surmised that the politically connected cartels had anticipated or were informed of the crackdown and took evasive action. Ernesto Lopez Portillo, President of the Institute for Security and Democracy (INSYDE) think-tank, told poloff that the OCM in many respects resembled the huge initial deployment of troops and police by the Fox administration against the drug gangs in northern Mexico, a strategy that brought mixed results.

MEXICO 00007033 003 OF 004

¶10. (C) CIDAC analyst Sabino Bastidas criticized the GOM for promising to deliver more through OCM than it could possibly achieve and for inflating the results that it actually achieved. (He added that if OCM really inflicted the claimed USD 620 million damage on the cartels in just one state and in little over one week, it suggested that the scope of the drug problem is even greater than expected.) He concludes that OCM was designed more for appearances than for impact.

Southern Border Initiative

¶11. (U) On December 14, while on a visit to Chiapas, Calderon announced a new policy that would increase controls along the southern border. The new enforcement measure will be a joint effort between state and federal agencies and is intended to reduce organized crime, drug trafficking, and illegal immigration. Calderon said that his strategy will have five elements: (1) protecting immigrant rights; (2) facilitating documentation; (3) strengthening entry/exit controls and combating corruption in the immigration services; (4) modernizing infrastructure; and (5) guaranteeing the safety of residents.

¶12. (C) Comment: It is significant that Calderon's two early law enforcement initiatives (OCM and the Southern Border Initiative) are in states run by PRDistas. Chiapas

Governor Juan Sabines was one of the first leading PRDistas to recognize Calderon as president. Michoacan Governor Lazaro Cardenas (PRD) also has expressed a willingness to work with Calderon and his support for OCM. We believe these two initiatives are intended in part to demonstrate that he will help PRD governors who work with him. End comment.

Presiding Over a Manageable Budget Debate

¶13. (C) Several contacts have opined that Calderon's early interactions with the Congress reflect a far greater degree of political acumen and engagement than seen in his predecessor. Notwithstanding the inevitable controversies surrounding certain elements of the administration's revenue and expenditure bills (refs B and C), the process to date has been less antagonistic than many expected, given the conflictive political climate here. Francisco Guerrero characterized the complaints over the proposed education cuts, for example, as "noise," noting that every budget contains controversial provisions, and that a compromise would ultimately be struck. In fact, on December 18, the Chamber of Deputies unanimously approved the administration's revenue bill with few changes. The Senate ratified the revenue bill on December 20, however, it rejected a provision calling for a 5-percent tax on soft drinks, meaning the lower house will now have to vote again on this provision. Guerrero acknowledged that the expenditure bill would undoubtedly face more opposition than the revenue bill; he said if the Congress managed to approve it before Christmas, it would reflect well upon legislative-executive relations. Guerrero noted that Calderon has displayed a welcome willingness to negotiate contentious points, and the press has pointed out that Calderon personally telephoned a number of legislators to press his case, a tactic eschewed by the Fox administration. As reported in ref D, Calderon's finance secretary, Agustin Carstens, has also made a good impression

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on members of Congress during the budget negotiations, demonstrating openness and accessibility.

The Critics Are Not Entirely At Bay

¶14. (C) While the majority of our contacts evaluate Calderon's early actions favorably, he has not escaped criticism. Two of our contacts have expressed concern that the OCM, the arrest of Oaxaca protest leaders, and the very appointment of the controversial Francisco Ramirez Acuna as Secretary of Government (ref D), suggest Calderon seeks to

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govern as an old-style Mexican authoritarian, favoring law-and-order over civil liberties. Others have complained that the OCM and the arrest of Oaxaca protest leaders is as much about public relations as it is about law enforcement.

¶15. (C) Some contacts were cynical about Calderon's budget

MEXICO 00007033 004 OF 004

proposals. Sabino Bastides said Calderon's decision to cut senior executive branch salaries by 10% was little more than a populist measure aimed at co-opting the supporters of Andres Manuel Lopez Obrador, who had proposed an even greater salary cut during the presidential campaign. Bastides also complained that the administration greatly exaggerated the amount of money to be saved by the salary cuts, adding that Calderon's decision to raise military wages reflected his dependence on the support of the security forces, which he called a sign of political weakness.

Comment: Playing By A Different Set Of Rules

¶16. (C) Calderon's early tactics suggest that he plans to

play by a different set of rules than his predecessor, bringing much needed energy, engagement and political acumen to the presidency. Certainly we are heartened that he has demonstrated a willingness to use the full authority and resources of the presidency in the war on drug cartels, even if it remains unclear whether his earliest tactics will produce results. Likewise, his willingness to personally engage with the legislative branch during the budget process reflects a welcome improvement on former President Fox's disengaged relationship with Congress. Notwithstanding the positive impression left by Calderon's early actions, however, it would be unrealistic to expect this administration to enjoy smooth sailing. Mexico's new president faces an array of political risks and vulnerabilities that would challenge even the most skilled of political operators.

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